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ROUTING AND TRANSMITTAL SLIP

Date

23 DEC 87

DDA SUBJECT FILE COPY

TO: (Name, office symbol, room number,
building, Agency/Post)

Initials

Date

1. DIRECTOR OF LOGISTICS

2.

3.

4.

5.

Action	File	Note and Return
Approval	For Clearance	Per Conversation
As Requested	For Correction	Prepare Reply
Circulate	For Your Information	See Me
Comment	Investigate	Signature
Coordination	Justify	

REMARKS

#1 - FOR ACTION AS APPROPRIATE.

DO NOT use this form as a RECORD of approvals, concurrences, disposals,
clearances, and similar actions

F	EXA/DDA	Room No.—Bldg.
		Phone No.

5041-102

★U.S.GPO:1986-0-491-247/20047

OPTIONAL FORM 41 (Rev. 7-76)
Prescribed by GSA
FPMR (41 CFR) 101-11.208STAT
STAT

MINISTRY

60-7

EXECUTIVE SECRETARIAT **ROUTING SLIP**

TO:

		ACTION	INFO	DATE	INITIAL
1	DCI				
2	DDCI				
3	EXDIR				
4	D/ICS				
5	DDI				
6	DDA	X			
7	DDO				
8	DDS&T				
9	Chm/NIC				
10	GC				
11	IG				
12	Compt		X		
13	D/OCA				
14	D/PAO				
15	D/PERS				
16	D/Ex Staff				
17	D/Logistics		(X)		
18					
19					
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22					

SUSPENSE _____ Date _____

Remarks

Executive Secretary

18 Dec '87

Date

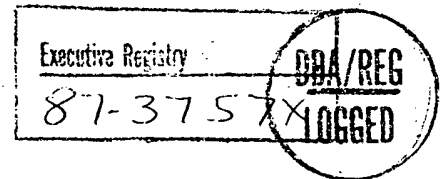
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EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

December 9, 1987



M-88-04

MEMORANDUM FOR THE HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

FROM: Joseph R. Wright, Jr.
Deputy Director
Chairman, President's Council on Management
Improvement

SUBJECT: Executive Order on Commercial Activities

The President signed the attached Executive Order on November 19, 1987, requiring all Departments and Agencies to ensure that the Government acquire needed goods and services in the most economical manner. The effort to contract commercial type activities with the private sector has been one of the major initiatives of the President's Management Improvement Program; Reform '88. Since 1981, almost 60,000 positions have been studied with savings and cost reductions averaging 30 percent or more without loss of service. However, this number of positions is less than 10 percent of what could be examined for contracting. We can do much better.

The Executive Order asks you to do the following:

- work with us in identifying, by the end of April 1988, all commercial activities performed by your department and to schedule all of these activities for study by June 30. This doesn't mean that the studies must be done by that time - only that they be scheduled;
- Conduct studies during FY 1988 on the number of positions identified in Management of the United States Government, Fiscal Year 1988 (see attachment 2); and,
- Increase the number of positions to be studied annually, beginning with FY 1989, to average three percent of the total civilian population of your agency.

To meet these goals will take both dedication and a commitment of resources not provided in the past. You may need to set up special teams to manage the studies to ensure their timely completion.



THE WHITE HOUSE
Office of the Press Secretary

For Immediate Release

November 19, 1987

EXECUTIVE ORDER

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PERFORMANCE OF COMMERCIAL ACTIVITIES

By the authority vested in me as President by the Constitution and laws of the United States of America, and in order to facilitate ongoing efforts to ensure that the Federal Government acquires needed goods and services in the most economical and efficient manner, it is hereby ordered as follows:

Section 1. The head of each Executive department and agency shall, to the extent permitted by law:

(a) Ensure that new Federal Government requirements for commercial activities are provided by private industry, except where statute or national security requires government performance or where private industry costs are unreasonable;

(b) Identify by April 29, 1988, in cooperation with the Director of the Office of Management and Budget all commercial activities currently performed by government. The department and agency heads are encouraged to consult with the President's Commission on Privatization in making such identification;

(c) Schedule, by June 30, 1988, all commercial activities identified pursuant to subsection (b) for study in accordance with the procedures of OMB Circular No. A-76, as revised, and the Supplement thereto, to determine whether they could be performed more economically by private industry;

(d) Meet the study goals for Fiscal Year 1988 set forth in "Management of the United States Government, Fiscal Year 1988"; and thereafter, beginning with Fiscal Year 1989, conduct annual studies of not less than 3 percent of the department or agency's total civilian population, until all identified potential commercial activities have been studied;

(e) Include in each annual budget proposal to the Office of Management and Budget estimates of expected yearly budget savings from the privatization of commercial activities projected to be accomplished following the completion of scheduled studies, unless an exception is authorized by the Director of the Office of Management and Budget. These estimates shall be based on analysis of savings under previous studies and estimated savings to be achieved from future conversions to contract. A department or agency proposal may reflect retention of expected first-year savings as negotiated with the Office of Management and Budget for use as incentive compensation to reward employees covered by the studies for their productivity efforts, or for use in other productivity enhancement projects;

PERFORMANCE OF COMMERCIAL ACTIVITIES

1988 FTEs TO BE STUDIED

<u>Department/Agency</u>	<u>FTEs</u>
Agriculture	2,887
AID	144
Commerce	2,007
Corps of Engineers	1,379
Defense	25,000
Education	133
Energy	474
EPA	361
GSA	2,387
HHS	1,278
HUD	75
Interior	1,884
Justice	1,628
Labor	44
NASA	660
OPM	250
SBA	126
State	283
Transportation	4,433
Treasury	1,363
USIA	32
Veterans Administration	296
Total	<u>47,124</u>